



City of Apache Junction

Home of the Superstition Mountains

DATE: OCTOBER 21, 2025

TO: MAYOR AND CITY COUNCIL MEMBERS

THROUGH: BRYANT POWELL, CITY MANAGER

FROM: ROB WISLER, MANAGEMENT ANALYST

SUBJECT: DISSOLUTION OF MPC

Background/Discussion

In 1990, the City created the Municipal Property Corporation to allow the City to seek bonds for City facilities. At the time, due to Federal law, a non-profit third-party entity was necessary to allow for the City to sell tax-exempt bonds through lease-purchase financing structures (which significantly reduces borrowing costs for cities). The City utilized the MPC to fund multiple projects from 1992 through 1997, including: AJPd headquarters, a major street rehabilitation program, the rodeo grounds arena, irrigation and landscaping at PD Building and County Retention Basin, library expansion, and Prospector Park improvements (2 ballfield lighting, picnic areas, sports courts, lighting). In 1997, Federal Law was changed to allow municipalities to sell tax-exempt bonds through lease-purchase type financing structures without needing another entity. Since that law has changed, the City has ceased using the MPC to secure bonds. The City has paid off all financial obligations related to the bonds.

The MPC has continued to function with Council appointing members each year and an annual meeting that has consisted solely of approving the last meeting minutes and appointing the chair with no further business on the agenda. City Staff manages annual reporting requirements to the ACC, which are necessary even without any business being conducted.

The City of Surprise is in the process of dissolving their MPC. All City of Apache Junction comparator organizations: Avondale, Buckeye, Casa Grande, Goodyear, Marana, Maricopa, Mesa, Oro Valley, and Queen Creek, do not have an MPC. Several of these entities previously used an MPC to issue bonds for public infrastructure, but no longer use the MPC financing structure for the reasons described previously.

At the September 16th Council Meeting, Mayor and Council provided direction to staff to bring an ordinance to Council amending the code to dissolve the MPC. On October 14th, the MPC adopted a companion resolution to dissolve itself and, though the City believes there is no property in the title of the MPC, the President of the MPC signed a bill of sale transferring any remaining assets to the City.

Tonight, staff brings Ordinance No. 1568, which officially removes the MPC from the City Code.

Analysis and Recommendation

Staff recommends adoption of Ordinance No. 1568.

Financial Impact

No Financial Impact.

Public Input

This ordinance requires a public hearing.

Next Steps (if applicable)

Should Council adopt the ordinance to dissolve the MPC, staff will submit the proper paperwork with ADOR and the ACC to finish the dissolution process.